

The complaint

Mr T complains that a used vehicle he purchased via a conditional sale agreement with Moneybarn No.1 Limited had been misrepresented to him.

What happened

In January 2021 Mr T arranged to purchase a used vehicle from a dealership via a 48-month conditional sale agreement with Moneybarn. The cost of the vehicle was £29,949.

Mr T says that he asked the dealership if the vehicle had been used as a taxi by the previous owner/s and was told it had not. Mr T also says that when he acquired the vehicle the dealership didn't give him the full V5 only, the green slip which didn't show the name of the previous owner.

In September 2024, Mr T decided to sell the vehicle. He contacted a company which purchases used vehicles. He says that at this time the vehicle should have been worth around £37,000 but instead he was told by the company, that as the vehicle had been previously used as a taxi, then it would only pay him £17,554.55 to purchase it. Mr T says he was upset to learn of the vehicle's history, and he complained to both the dealership and Moneybarn.

The dealership's trade association responded to Mr T that there wasn't any evidence a misrepresentation had occurred and that as Mr T had received a copy of the V5, then he could have googled the previous owner which would have shown this was a car hire company.

Moneybarn also responded to Mr T's complaint. It said that it didn't source the vehicles which were purchased with its credit agreements, and it would always recommend that its customers do their due diligence before agreeing to buy a vehicle. Moneybarn said it didn't know what had been said at the vehicle's point of supply, so it wasn't able to substantiate how the vehicle had been sold to Mr T. Moneybarn didn't uphold Mr T's complaint.

Mr T made a complaint to this service. He said that it should have been disclosed to him before he took the vehicle that it had previously been used as a taxi. Mr T said he thought the car had been overpriced and its sale to him had been unfair and misleading. He requested that he be compensated for the loss of the expected sale price and the actual sales price.

Our investigator didn't recommend that Mr T's complaint should be upheld. She said that where there had been a misrepresentation by a dealer then the credit company (Moneybarn) could be held responsible. But here, our investigator said, there wasn't enough evidence for her to conclude that the dealership had misrepresented the vehicle or that the dealer had been aware of its previous use and had chosen not to reveal that to Mr T.

Our investigator said it wouldn't be reasonable to expect a dealership to carry out its own investigations into previous owners and she was more satisfied than not that the dealership had carried out adequate checks on the vehicle before supplying it to Mr T.

Our investigator also said that she hadn't seen evidence that Mr T had to sell the vehicle at a reduced price solely due to its past use and she didn't think he'd been obligated to sell at the price he had.

Mr T didn't agree with our investigator's view. He said that the vehicle had been overpriced when he'd acquired it because of its history and he had lost out on the expected sale price. He said he wouldn't have purchased the vehicle if he knew about its previous history.

Mr T has requested that his complaint is passed to an ombudsman for a final decision.

What I've decided – and why

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Mr T is unhappy that our investigator didn't say more about the dealership's actions in her view, but this service's remit is to look at regulated financial activities and selling cars doesn't fall within that category. So, I can only look at Moneybarn's role here.

Under the Consumer Rights Act 2015, Moneybarn, as the provider of the conditional sale agreement, was also responsible to ensure the vehicle was as described and it was of satisfactory quality. And I can also consider if Moneybarn was responsible for any representations made during the pre-sale negotiations by the dealership to Mr T under section 56 of the Consumer Credit Act 1974.

Mr T says that the dealership made a misrepresentation to him about the vehicle in that they confirmed it hadn't been used as a taxi previously when this was false. For me to find a misrepresentation had been made, I need to be satisfied that a false statement had been made and that Mr T was induced by that misrepresentation to enter into the agreement. Misrepresentation can also sometimes be made by omission if a party fails to disclose a material fact which creates a misleading impression, again Mr T must be induced by this to enter into the agreement.

When evidence is incomplete, contradictory or missing then I must decide what I think is the most likely thing to have happened.

Mr T says that he specifically asked about the vehicle's history and says that the dealership deliberately withheld that it had been used as a taxi. He says this is why he didn't receive the full V5 when he took the car. But I don't know what was said by the parties about this vehicle and I haven't seen any written description of it such as an advert so there isn't anything to corroborate what Mr T says he was told. I also think it's reasonable to assume that Mr T received the full V5 either at the time he took the vehicle or very shortly after as it appears on the checklist of documents provided to Mr T by the dealership. I'm not persuaded that the providing of the green slip before the full V5 shows that the dealership was deliberately trying to hide the previous registered keeper. Mr T would always have received the full V5 and been able to make enquiries about previous keepers.

I also don't think I have enough evidence to conclude that the dealership was aware the vehicle had been previously used as a taxi. I agree with our investigator that it isn't reasonable to expect dealerships to carry out investigations of previous keepers of vehicles that they sell. I can't reasonably say that the dealership didn't carry out sufficient checks about the vehicle as would be expected when they sold it.

Mr T has raised the cost of the vehicle which he says was overpriced when he purchased it. But, looking at the cost of £29,949, I can't reasonably say that price was excessive. Mr T has

raised the overall amount he has paid under the agreement but that includes the interest charged on the credit amount. The rate of interest, together with the total amount that would be charged in addition to the amount borrowed as credit is all clearly set out in the agreement. Mr T had signed the conditional sale agreement to show he was content to be bound by its terms.

Mr T says that he lost out on over £12,000 when he sold the car because of its history. He has provided some documentation which he says supports this. However, when looking at this I'm afraid I don't agree. The valuation for the vehicle is provided by a website which says it "*may*" be worth just over £37,000. But I think this valuation would depend on a number of factors including the vehicle's condition and whether sold to the trade or privately. This doesn't establish that the vehicle was actually worth that amount. There is then an email from a company approached by Mr T to buy the vehicle which shows that due to the vehicle's history there is now a revised offer of £22,293, but this doesn't say what figure was originally offered. There isn't an explanation as to why Mr T was ultimately paid around £17,500 for the vehicle although I note there were admin fees to be deducted when sold. From the evidence I've seen, I don't think I can reasonably say that the vehicle had lost around £12,000 in value solely because of its previous use. I can't accurately calculate what exact impact the past use of the vehicle has had on its value. I also don't know if Mr T would have achieved a different sales price for the vehicle had he sold it another way.

As I don't think I have sufficient evidence that a misrepresentation has occurred here, while I'm sorry this will be a disappointment to Mr T, I'm not upholding his complaint.

My final decision

For the reasons set out above, I'm not upholding Mr T's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 26 September 2025.

Jocelyn Griffith
Ombudsman